

**MINUTES
EAGAR TOWN COUNCIL
PLANNING SESSION
22 W. 2nd St., Eagar, AZ
March 21, 2017 – 6:00 P.M.**

The Planning Session was called to order.

COUNCIL PRESENT: Bryce Hamblin, Mayor
Steve Erhart, Vice Mayor
James Nelson, Jr.
Debra Seeley
John Phelps
Winslow McNeill

COUNCIL ABSENT: Allen Browning

STAFF PRESENT: Bruce Ray, Interim Town Manager
Katie Brady, Finance Manager
Eva Wilson, Town Clerk
Mike Sweetser, Police Chief
Jeremiah Lloyd, Community Development Director
Frank Adams, Fire Chief

1. PLANNING SESSION TO DISCUSS THE GOALS AND OBJECTIVES OF THE TOWN OF EAGAR

A. DEPARTMENT REPORTS

Each department, Community Development, Police Department, Fire Department, Clerk's Department, Public Works Department, and Finance Department presented a report on their respective department's annual highlights with some presentation of future objectives.

B. WATER TANK CONDITION – U.S.D.A. GRANT

A short video was shown of the contracted divers from NCS inspecting the condition of the 12th Street water tanks. The two 165,000 gallon tanks are from the Town's original water supply system along with a single 1 million gallon tank. The inspection revealed that the tanks are externally coated with lead based paint, and the internal coating consists of a coal tar epoxy. The southern 165,000 gallon tank was identified as unsafe and a liability for the Town to continue to operate, although it can be repaired for approximately \$309,900. The northern 165,000 gallon tank can be repaired at a cost of approximately \$264,000, and the 1 million gallon tank can be repaired at a cost of \$899,000. The estimated cost of replacement for each 165,000 gallon tank is \$401,800. NCS is aiding in identifying funding sources to help with the rehabilitation or replacement.

Community Development Director Jeremiah Loyd is following leads for USDA Rural Development cash match grants and considering options to have a stronger selling point to secure these grants. It is recommended that \$300,000 within the CIP be expended to

minimally repair the 1 million gallon tank, unless a USDA Rural Development grant can be obtained to assist with the cost of the project, to follow through with the condemnation of the southern 165,000 gallon while repairing the northern 165,000 gallon tank. New water tanks cost approximately \$1 per gallon.

C. BUDGET DIRECTION

The League of Arizona Cities and Towns just released its new State Shared Revenue preliminary budget estimates which will increase the Town's General Fund by \$35,000 from original estimates.

The budget that has been presented to date includes a Government Property Lease Excise Tax (GPLET) for the Bashas' property that at this time the Town is fully responsible for. Interim Town Manager Bruce Ray is, however, investigating the possibility of being assessed the actual property tax without the GPLET.

Per Council's direction from the Budget Work Session of March 7, 2017, payoff of the Water Infrastructure Finance Authority (WIFA) loans is projected in the budget at \$425,454, with the repayment of Local Government Investment Pool (LGIP) of approximately \$350,000.

Mr. Ray reported that the Town of Eagar manning has not changed with the exception of an employee being moved to be supervised under Public Works instead of the Clerk's Department; the number of employees has not changed from last year.

Per Council's direction again, the increase in wages for the next fiscal year will be \$35,424 if every employee receives a raise due to their successful performance evaluation, with the following year seeing approximately \$31,889 budgeted for performance-based pay increases. Mr. Ray sated these projections are slightly high but the movement of employees in the grade scales was considered with high earners soon leaving the employment and lower earners entering. There are at least three employees that are topped out and will not see a performance-based pay increase. The five-year projection is sustainable.

No costs for dispatch services have been budgeted for the coming year, as Apache County Supervisor Doyel Shamley has alluded to the county jail and dispatch services looking for another source of funding. This will be a \$40,000 savings for the Town.

The Finance Department asked for more direction regarding the Local Government Investment Pool (LGIP) or additional saving mechanisms.

Vice-Mayor Steve Erhart suggested using the LGIP growth to pay the Greater Arizona Development Authority (GADA) loan, and to have at least a quarter of a year of expenses on hand. Vice-Mayor Erhart also stated he was under the impression that the Town had a \$75,000 per month savings allocation that was started several years ago. Mr. Ray stated that is occurring and more when it is financially feasible. Finance Manager Katie Brady stated she could add a line item to the budget allowing for this allocation.

Mayor Bryce Hamblin stated his goal for the Town's finances is to remove all debt and be able to finance our own projects without depending on outside lending.

The Council would like to have a Budget Work Session scheduled for April 4, 2017 at 6:30 p.m.

D. EAGAR DAYS/OUTDOOR EXPOSITION – ROUND VALLEY ROUND UP

Mr. Ray stated the following activities will be occurring for the Eagar Days/Outdoor Exposition:

- ✓ Gun Show at Round Valley Dome (Ron and Debra Watkins)
- ✓ Outdoor Expo with participants: Arizona Game and Fish, Sportsman's Warehouse, local guides
- ✓ Logging Events
- ✓ Soccer Tournament
- ✓ Softball Tournament
- ✓ Volleyball Tournament
- ✓ Kids Foot Rodeo

The Round Valley Round Up will include:

- ✓ Junior Rodeo
- ✓ Open 4d Barrel Race
- ✓ Boot Race
- ✓ Parade
- ✓ Team Roping
- ✓ Ranch Rodeo
- ✓ Raffle

With so much activity occurring within two months, it is important that all Town personnel participate in order to make these events successful. Eagar Days and the Outdoor Expo will be held at two separate venues.

Council Work Session adjourned at 8:40 p.m.

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

